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Security Council Committee established pursuant to resolution 1267 (1999)

Letter dated 16 April 2003 from the Permanent Representative of Algeria to the United Nations addressed to the Chairman of the Committee

On instructions from my Government, I have the honour to transmit to you herewith the report of the Algerian Government to the Committee established pursuant to resolution 1267 (1999), in implementation of paragraphs 6 and 7 of Security Council resolution 1455 (2003) (see annex).

The attached report includes a list of groups and individuals associated with al-Qa'idah, which the Algerian Government would like to see placed on the Committee's list.

The Algerian Government is ready to provide other reports and information to the Committee as required.

(*Signed*) Abdallah **Baali**
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Annex to the letter dated 16 April 2003 from the Permanent Representative of Algeria to the United Nations addressed to the Chairman of the Committee

Report of Algeria on the implementation of United Nations Security Council resolution 1455 (2003)

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I. Introduction

In accordance with paragraph 6 of Security Council resolution 1455 (2003), Algeria submits the present report to the Committee as a supplement to the report transmitted in April 2002 in accordance with resolution 1390 (2002) on combating the al-Qa`idah terrorist organization and the entities and persons associated with it.

The set of measures described below forms part of the battle that Algeria has waged for more than a decade against the terrorist groups targeting the country and, in particular, the Groupe Islamique Armé (Armed Islamic Group) (GIA) and the Groupe Salafiste pour la Prédication et le Combat (Salafist Group for Proselytism and Combat) (GSPC), which are on the Committee's list of entities and individuals associated with al-Qa`idah.

When this scourge first appeared on its territory at the beginning of the 1990s, Algeria adopted a series of legislative and regulatory instruments to organize the suppression of these groups, which are linked with transnational networks, and allow their members to be brought to justice for acts committed inside as well as outside the country. Algeria was one of the first countries to criminalize terrorism and the financing of terrorist activities and take measures to combat transnational arms financing and supply networks.

One new aspect of this endeavour is connected with combating money-laundering and was introduced in implementation of the United Nations Convention on Transnational Organized Crime, which Algeria has ratified.

Even as a law on money-laundering is in the process of being elaborated the Algerian authorities have taken measures for the detection and prevention of activities linked with this form of crime. The entry into force of the Executive Decree establishing the Financial Information Processing Unit is, among other things, an important step towards establishing effective institutional means of combating the financing of terrorist activities.

In this context, the Algerian authorities have strengthened the means of controlling capital movements to and from Algeria in order to combat illicit operations that could support terrorist activities and other forms of organized crime.

The suppression of offences against the exchange and capital movements laws is expressed in a marked increase in penalties. From a penal viewpoint, this greater severity increases the risks of recourse to the facilities that the international financial system and open borders offer to activities in support of terrorist groups in Algeria.

The present report also contains an updated list of Algerian individuals and groups associated with al-Qa`idah which Algeria would like to see included in the Committee's list.

Thus, through its own battle against the terrorism which threatens it directly, Algeria contributes actively to the international fight against this scourge. Of course, the legal and institutional measures that are being put in place worldwide are not capable of covering all the spheres of action required in order to eradicate terrorism. Its eradication also depends, perhaps more decisively, on the willingness to share operational as much as judicial information, the capacity of the international community to be vigilant and the facilitation of access to certain specific amenities.

International counter-terrorism measures, therefore, need to be improved as a matter of urgency. Such improvement would involve sustained and well-organized cooperation as part of a coherent approach that expresses the clear political will of all States.

II. Suppression of offences against the exchange and capital movements laws

This subject is dealt with under Ordinance No. 03.01 of 19 February 2003 concerning the suppression of offences against the laws and regulations on currency and capital movements into and out of Algeria.

(a) The Ordinance, adopted by the National Assembly, amends and supplements Ordinance No. 96.22 of 9 July 1996 concerning the suppression of offences against the regulations on currency and capital movements into and out of the country, mentioned previously in the national report submitted by Algeria pursuant to Security Council resolution 1390 (2002).

The internal evolution of Algerian and international financial institutions and banking systems, the establishment of terrorism as a threat to international peace and security and the decision to suppress the financing of terrorist activities at all levels have led the monetary authorities gradually to amend the national legal arsenal with a view to addressing all activities linked to capital movements and funds transfers.

The constituent elements of offences or attempted offences against foreign exchange legislation and regulation extend to false declarations, non-observation of the obligation to make a declaration, non-observation of prescribed procedures and failure to obtain the required authorizations.

In order to better underline the importance of absolute respect for the measures prescribed in the case in point and show clearly the causal relationship between an action, its characterization and its suppression, article 1 of the Ordinance states that "an offender may not be excused even if acting in good faith".

In cases of offences against legal prescriptions, offenders will, under article 1 bis, be punished by imprisonment for a period ranging from two to seven years, confiscation of the *corpus delicti* and the means of transport used as well as the imposition of a fine amounting to at least double the sum involved in the offence or attempted offence.

When, for whatever reason, it is not possible to seize items subject to confiscation, the competent court imposes a fine equal to the value of the items in question.

Ordinance No. 03.01 broadens the scope of the penalties to include disqualification from conducting foreign trade operations and acting as a stockbroker or foreign exchange dealer. The offender is not eligible to hold a position in chambers of commerce or as judge in a court of law for a period of five years.

Article 4 imposes on any person conducting operations involving cash sums or forged securities penalties of imprisonment for a period of two to seven years, unless the offence is more serious, in which case the sentence is more severe.

In the same way as physical persons, legal persons under private law are liable, without prejudice to their criminal responsibility, for offences committed on their behalf by their organizations or legal representatives.

In the case in point the Ordinance makes provision, beyond the confiscation of the *corpus delicti* and imposition of a fine amounting to no less than four times the sum involved in the offence, for one or all of the following penalties:

– Debarment from conducting foreign exchange and foreign trade operations;

– Exclusion from public contracts;

– Debarment from accepting savings deposits;

– Debarment from acting as a stockbroker.

The Ordinance authorizes the Governor of the Bank of Algeria to take any useful precautionary measure on his own initiative or at the request of the Minister of Finance to prevent offenders from conducting any exchange or capital movement operation as part of their professional activities. These precautionary measures aim to ensure the collection of financial penalties in the same way and under the same conditions as provided for under customs or fiscal legislation.

Finally, article 14 of the Ordinance requires the Minister of Finance and the Governor of the Bank of Algeria to submit a joint annual report to the President of the Republic on offences against exchange legislation and controls.

(b) Ordinance No. 03.01 establishes, among other things, the National Transactions Committee and local transactions committees.

The National Committee, which brings together representatives of the Office of the President of the Republic, the Head of Government, the Minister of Finance and the Governor of the Bank of Algeria, is empowered to consent to transactions when the value of the *corpus delicti* is less than 50 million Algerian dinars (equivalent to approximately $590,000). When the value exceeds that amount, the Committee issues an opinion and transmits the file to the Government for a decision in the Council of Ministers.

When the offence bears no relation to a foreign trade operation and when the value of the *corpus delicti* is less than DA 500,000 (equivalent to approximately $5,900), consent for the transaction can be given by a local committee.

(c) Executive Decree No. 03.110 of 5 March 2003, issued in implementation of Ordinance No. 03.01, specifies the conditions under which such a transaction may be performed as well as the organization and functioning of the transaction committees with regard to offences against the exchange laws.

This regulatory text aims to reinforce the principles on which transactions are based. It strives to set new conditions under which, should the situation arise, the decision to authorize a transaction taken in the Council of Ministers is prepared and carried out.

The objectives of the new legal framework are to modify transactions, establish a new organizational plan and fix parameters for determining the proportion of the sum of the compromise settlement in relation to the value of the *corpus delicti*.

Executive Decree No. 03.110 of 5 March 2003 amending Executive Decree No. 97.257 of 14 July 1997 determines and specifies conventions and modalities for drafting reports on offences against the laws and regulations on currency and capital movements into and out of Algeria.

Once Ordinance No. 03.01 and its implementing decrees were adopted, the national legislative and regulatory framework was strengthened and now provides better guarantees of control over currency and financial transactions. The establishment of different levels of surveillance of capital movements in relation to certain duly specified transaction amounts contributes to ensuring enhanced transparency in international transactions and rigorous follow-up by the Bank of Algeria on such transactions.

III. Suppression of the financing of terrorism and combating money-laundering

1. The Financial Information Processing Unit

(a) Executive Decree No. 02.127, promulgated on 7 April 2002, establishes a Financial Information Processing Unit, following the ratification by Algeria of the United Nations Convention on Transnational Organized Crime (Decree No. 02.55 of 5 February 2002). A regional conference was held in November 2002 in Algiers in order to raise awareness among African countries of the need to accede to the Convention.

(b) The involvement of terrorist groups in transnational crime networks has led the Algerian authorities to redouble their efforts to combat fraudulent and criminal operations by the imposition of strict controls on financial establishments.

(c) The main task of the Financial Information Processing Unit, which is an independent entity within the Ministry of Finance, is to combat the financing of terrorism and money-laundering. The Unit consists of six members selected for their competence in legal and financial matters. Their powers in relation to their mission are extremely broad.

The tasks of the Unit are to:

- Propose any legislative or regulatory measure deemed necessary in the fight against the financing of terrorism and money-laundering;
- Set in place the necessary measures for the prevention and detection of means and procedures used with a view to financing terrorist activities or money-laundering operations;
- Receive and process Suspicious Transaction Reports coming from banking organizations relating to all financing of terrorism or money-laundering operations.

The purpose of the following specific powers is to enable the Unit to take rapid and effective action. The Unit may:

- Request from financial organizations any document or item of information deemed necessary in order to accomplish its tasks as a public authority;

- Order, as a precautionary measure, the suspension of any banking operation or freezing of the assets of any physical or legal person suspected of or strongly presumed to be laundering money or involved in illicit activities relating to a terrorist enterprise;
- Transmit to the Public Prosecutor, should the investigations conducted and the facts noted be sufficient to merit legal action, the file containing the documents necessary in order to open a judicial inquiry, or take any other action deemed necessary by the judge;
- Exchange information in its possession with foreign organizations empowered with similar missions, subject to conditions of reciprocity, with a view to concluding their operations to combat money-laundering and the financing of terrorism;
- Use information received only in the context of the mandate set out in the Executive Decree. Such information must be communicated only to organizations empowered and mandated to combat the financing of terrorism and money-laundering.

2. *Finance Act 2003*

Articles 104 and 105 of the Finance Act provide for the lifting of banking secrecy and professional secrecy and authorize the suspension of any banking operation for a period of 72 hours, as well as the freezing of the assets of any individual who is under suspicion.

The Unit requires organizations authorized to act as banking intermediaries to:

- Establish the identity of individuals who have carried out suspicious operations, on the basis of conclusive documentary evidence. This measure applies in respect of regular and occasional clients in cases where they do not appear to be acting on their own account;
- Ensure compliance with procedures for the prevention and detection of terrorism-financing operations and money-laundering operations;
- Centralize and transmit in the required form, within the required time frame and in accordance with the required modalities, information on suspicious operations and respond to any requests for transmittal of documents or information made by the Unit.

3. *Regulation 02.03 of the Currency and Credit Council of the Bank of Algeria*

This regulation, issued on 18 December 2002 with a view to improving bank governance, provided for the establishment of an audit and monitoring body with extensive powers.

The measures described above complement implementation of the fundamental principle introduced in article 87 bis, paragraph 6, of Ordinance No. 95.11 of 25 February 1995, which provides for prosecution of any Algerian national active in a terrorist organization abroad, even if his or her activities are not directed against Algeria.

Algerian legislation is based to a great extent on the recommendations set out in international instruments, and on the recommendations made by such

international organizations as the Financial Action Task Force which are responsible for combating the financing of activities linked to transnational organized crime.

IV. Modification of the Penal Code and the Code of Criminal Procedure

The provisions of the Penal Code and the Code of Criminal Procedure have been modified several times since 1995, in order to take account in that context of terrorist offences and their characterization, and to determine the penalties applicable in the case of perpetration of terrorist acts or membership in a terrorist group or organization (Ordinance No. 95.11 of 25 February 1995 amending and supplementing Ordinance No. 66.156 of 8 June 1966). Other amendments and adjustments to bring existing legislative provisions into line are under preparation. These amendments and adjustments concern in particular offences characterized as terrorist or subversive acts involving the following:

1. *In the context of the Penal Code*

   - The provision or collection of funds used or which it is known will be used to prepare or facilitate the preparation of a terrorist act, or to perpetrate such an act;
   - Any operation designed to conceal or disguise the conversion or transfer of resources or assets in connection with activities in support of terrorism.

2. *In the context of the Code of Criminal Procedure*

   - Financial institutions, stock-exchange monitoring bodies and all physical or legal persons which, in carrying out their functions, perform, monitor or give advice in respect of operations giving rise to capital movements, are required to declare to the Public Prosecutor operations involving sums of money suspected of originating from or being linked to terrorism;
   - The above obligations are also imposed on experts, notaries-public, lawyers, legal advisers and any individual or entity acting as such;
   - Under the supervision of the Public Prosecutor, Judicial Police officers take any appropriate precautionary measures.

V. Freezing of assets

The way in which the Algerian banking system works, the fact that Algerian currency is non-convertible for purposes other than foreign trade in goods and the existence of strict exchange-control measures (see Ordinance No. 03.01 above), means that Algeria is not an attractive financial platform for terrorist organizations.

Neither the Bank of Algeria, as a monetary authority monitoring capital movements, nor the banks that conduct business in Algeria have as yet detected suspicious funds transfers or located financial assets of individuals considered as belonging to al-Qa`idah. Furthermore, no action has been taken either in terms of measures to freeze or attach assets or funds belonging to such individuals.

The updated United Nations list of individuals and terrorist groups and organizations is regularly transmitted to the Bank of Algeria and other primary banks.

VI. Regulation, prevention and control of chemical weapons

1. *Bill concerning the suppression of offences against the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction*

The adoption of the bill followed the ratification by Algeria of the Convention (Presidential Decree 95.157 of 3 June 1995). It reflects Algeria's determination to help combat proliferation of weapons of mass destruction through the implementation of a regime calling for monitoring, declarations and systematic verification by means of on-site inspections and the deployment of teams for the surveillance of all locations where chemical products are stockpiled. Presidential Decree 97.125 of 26 April 1997 provided for the establishment of an inter-ministerial committee under the authority of the Head of Government, with the mandate of monitoring the implementation of the Convention.

The text in question calls for a transparent management regime for chemical products in order to prevent clandestine activities and strengthen security.

The purpose of the monitoring and surveillance system for the suppression of any non-regulated use is to prevent terrorist groups from gaining possession of or using chemical products or weapons. The establishment of a verification regime based on initial declarations and subsequently on periodic declarations, as well as on mandatory and intrusive national and international inspections also helps to ensure that the matter in question is dealt with more effectively in all its aspects. The above-mentioned law contains criminal provisions and sets forth punishments ranging from fines to imprisonment, for periods ranging from two months to life, depending on the acts of which the individuals concerned are accused and their degree of seriousness.

In the event of non-compliance with or violation of the provisions of this legislation, the following punishments are applicable with respect to any physical or legal person:

- Rigorous imprisonment for life for using chemical weapons;
- Rigorous imprisonment for 10 to 20 years for the development, possession, acquisition, import or export of chemical products;
- Imprisonment for two months to one year and a fine for the unauthorized import, export, transit, trade in and brokerage of chemical goods.

2. *Draft executive decree on the use of chemical products*

Chemical products are essential for industry and are components of a number of products on sale on the market. However, widespread use of such products gives rise to security problems calling for appropriate action.

Regulation of the use of chemical products will be dealt with in an executive decree that is under preparation.

VII. Algerian groups and individuals associated with al-Qa`idah

Two Algerian terrorist groups are already on the Committee's list: Groupe Salafiste pour la Prédication et le Combat (Salafist Group for Proselytism and Combat) (GSPC) and the Groupe Islamique Armé (Armed Islamic Group) (GIA). Other groups that continue to be active in Algeria and maintain links with al-Qa`idah should be added to this list in accordance with the relevant provisions of Security Council resolutions 1267 (1999), 1333 (2000), 1373 (2001) and 1390 (2002).

Algeria would like to see the following groups placed on the Committee's list:

1. Djamat Houmat Daawa Salafia or "El-Ahouel" (DHDS)

This organization is a GIA branch that fought alongside the Taliban in Afghanistan. Some of its members were volunteers in non-governmental organizations (NGOs) such as El-Haramein and El-Waqf El Islami, which appear on the list established pursuant to Security Council resolution 1267 (1999).

DHDS was formed as a result of a break that occurred in 1996, during the Djamel Zitouni era, when Afghanistan veteran Kada Benchikha Larbi decided to oppose the head of GIA.

DHDS supports the Taliban and al-Qa`idah, whose objectives it shares. The group's structure is modelled after that of the Taliban.

It is responsible for the deaths of several dozen citizens and the destruction of the country's economic, social and cultural infrastructure. It terrorizes people living in cities and in remote regions to force them to leave their homes and assets. Its members try forcibly to recruit young people in order to swell their ranks.

Towards the end of 2001 DHDS tried to establish small groups in cities in the western part of the country with a view to committing terrorist acts, murdering local leaders, collecting funds and sabotaging economic infrastructure.

Since its establishment in 1999, this group has worked to create its own funding sources abroad, in particular in Italy, Spain, Great Britain and France, by taking over part of the support networks affiliated with GIA and GSPC and by developing ties with extremist theologians such as Abou Kotada El Falestini and Abou Hamza El Misri. The support of such theologians enabled DHDS to take advantage of al-Qa`idah's transnational networks.

The recent arrests in Great Britain which took place following threats of bacteriological attacks highlighted the involvement of members of DHDS, who were trained by al-Qa`idah leaders with a view to using poisons and other products when the time came. One of the persons arrested was Mustapha Taleb — alias "Abou El Haritha", born on 28 October 1969 in Tlemcen, Algeria, son of Abderrahmane and Taleb Habiba Ouasti, residing in Great Britain at 36 Alexandra Grove, 2 LFN, London.

DHDS is also trying to enlist two small GIA dissident groups in order to extend its sphere of operations to other regions in the country. These groups are the following:

- Groupe Salafiste Combattant (Salafist Combatant Group) (GSC) or "Djamaat Salafia Moukatila" (DSM);

- Groupe Sunnite pour la Prédication et le Djihad (Sunni Group for Proselytism and Jihad) (GSPD).

It has been established that, after supporting GSPC, al-Qa`idah had other contacts with DHDS operatives to convince them to merge with GSPC, in order to improve that terrorist organization's structure in Algeria and thus take advantage of its multifaceted support.

2. *Djaz'ara*

Operating in 1992 under the name "Crisis cell of the former Front Islamique du Salut (Islamic Salvation Front)" and under the aegis of GIA since January 1994 and of the Front Islamique du Djihad Armé (Armed Jihad Islamic Front) (FIDA), Djaz'ara currently calls itself the Bureau exécutif national. This group has been responsible for violent and spectacular terrorist attacks targeting intellectuals, academics, journalists, doctors and trade-unionists.

Djaz'ara controlled the former Fraternité Algérienne en France (Algerian Fraternity in France) (FAF) and its satellites. The mission of these groups was to provide multifaceted support and help finance terrorist activities in Algeria. Its members are in contact with terrorists belonging to al-Qa`idah's transnational networks.

In Germany, the Djaz'ara controlled the "Instance Exécutive de l'ex-Front Islamique du Salut" (FIS) (Executive Body of the former Islamic Salvation Front). In Great Britain, it controls the organization "Al Baqoun Ala Ahd" and in the United States the "Parliamentary Delegation" of the former FIS. The Djaz'ara's most active cell is in Switzerland. It is currently directed by Mourad Dhina, alias Zoubir, alias Abou Walid, alias Ammar, alias Kadi, born on 6 August 1961 in Blida, son of Mohamed Dhina and Zoulikha Benmoussa, sought under international arrest warrant No. 177/95/T issued by the Algerian system of justice on 15 January 1995, who resides in Switzerland.

The Djaz'arists have publicly called for "Jihad" in Algeria, encouraged the use of violence, endorsed mass murders and targeted Algerian intellectuals. They reject the Act on the Restoration of Civil Harmony, which was designed to establish a legal framework for the return and reintegration of the terrorists either through release or through reduction of penalties, as appropriate.

At a meeting held on 3 and 4 April 2002 in the Netherlands, terrorist Mourad Dhina, coordinator of the "Provisional Executive Secretariat of FIS" publicly reiterated his determination to continue Jihad by legitimizing the use of terrorist acts in Algeria and to support transnational terrorist networks.

The logistical support provided by Mourad Dhina from Switzerland was the subject of proceedings initiated in 1996 and 1997 by the Swiss authorities for his involvement in various types of arms trafficking to Algeria. In 1995 and 1996, Dhina organized an arms- and ammunition-trafficking ring for terrorist groups in the Mitidja region of Algeria.

Djaz'ara currently has networks in several countries. Its operatives are implicated in arms- and ammunition-trafficking and the collection of funds for the

financing of terrorist activities. Djaz'ara operatives are known for their expertise in the chemical, bacteriological and nuclear fields.

Djaz'ara leaders abroad are known for having spent time in Afghanistan, followed by Pakistan where they formed ties with leaders of international terrorism affiliated with al-Qa`idah. They include:

Kamer Eddine Kherbane — born on 14 November 1956 in Algiers, son of Issad Kherbane and Hassina Ait Djaffer, operative of the terrorist organization Al Bakoun Ala Al Ahd, residing in London, England. Wanted in Algeria, from 1990 to 1992 he directed the "Beit El Djazariyine" (House of Algerians in Peshawar), Djaz'ara branch responsible for recruitment, weapons, training and logistics which is called the "Bureau of Services" (Mekteb El Khadamet), established by Osama bin Laden in Pakistan. He also ran the "bureau of services" in Tirana, Albania, after directing that of the Keffah Refugee Center in Zagreb, Croatia.

Boudjemaa Bounoua — alias Abou Anès, born on 20 July 1958 in Mechria, Algeria, son of Bachir Ould Miloud and Kheir Hamdaoui, married to Palestinian national Soumaya Azzam, daughter of the late Abdallah Azzam. Bounoua is one of the main leaders of al-Qa`idah. He was responsible for the link between GIA and al-Qa`idah's transnational networks and for incorporating Algeria's terrorist potential into al-Qa`idah. He also enlisted as a volunteer during the war in Bosnia and works from Albania to strengthen terrorist structures.

Kamer Eddine Kherbane and Boudjemaa Bounoua have relied on support from:

Egyptian national Abouhafs al Misri (Mohamed Atef), alias Subhi Abou Sitta, Sheikh Taysir Abdullah, Mohamed Atef, Abou Hafs Al Masri El Khabir, Taysir, born in 1956, native of Alexandria, Egypt. He appears as No. 60 on the list established in the framework of Security Council resolution 1333 (2000). He is one of the founders of the Egyptian Islamic Jihad.

Saudi national Zine el Abidine Abou Zoubeida — alias Abou Zubaida, Abd Al-Hadi Al-Wahab, Zain Al-Abidin Muhahhad Husain, Zayn Al-Abidin Muhammad Husayn, Tariq. Uses Saudi, Palestinian and Jordanian passports. He was born on 12 March 1971 and appears as No. 7 on the list established in the framework of Security Council resolution 1333 (2000).

Djhamel Lounici — born on 1 February 1962 in Algiers, son of Abdelkader Lounici and Djouhra Birouh. He is being sought under international arrest warrants No. 15/93/T of 6 March 1993, No. 20/94/T of 25 July 1994 and Nos. 07/95/T and 44/94/T of 3 April 1994 on the following charges: forming and belonging to an armed terrorist group, arms trafficking for terrorist groups, financing terrorist activities and undermining State security. He currently lives in Italy.

The Italian judicial authorities opened an inquiry against Djamel Lounici. The results of the inquiry showed that he was involved in several cases of arms trafficking for terrorist groups in Algeria. The operations were financed by income from the trafficking and by al-Qa`idah's transnational networks.

Ahmed Zaoui — alias Abou Houdeifa, born on 7 December 1960 in El-Idrissia/Djelfa, Algeria, son of Lakhdar Zaoui and Amina Tahar. He was sentenced five times in absentia by the Algiers Criminal Court for terrorist activities and belonging to a terrorist group.

Various inquiries conducted in Belgium have pointed to his involvement in arms trafficking to Algeria. He has proved links with terrorists Mohamed Kerrouche, called Salim (currently residing in London), Bosnians Nurset Jusufovic, Jasmin Mulahusic and Senad Ramcilovic and Moroccan brothers Ali and Youcef El Majda, arrested on 3 April 1996.

Ahmed Zaoui was expelled from Belgium to Switzerland, then to Burkina Faso, and then went to Malaysia. He is currently living in New Zealand.

Mohamed Kessoul — alias Mourad — in charge of GSPC logistical support in Belgium. Closely linked to al-Qa`idah, he has been mentioned, in particular, in connection with the cases of Farid Mellouk and the Tunisian extremist Tarek Maaroufi, for whom the Italian authorities have issued an international arrest warrant for his involvement in planning an attack in Rome in 2001.

The Algerian terrorist group called Front Islamique du Djihad Armé (Armed Jihad Islamic Front) (FIDA) known as "Bureau exécutif national" is affiliated with Djaz'ara. Its leader abroad is Mourad Dhina, who operates from Switzerland.

This group has intermediaries in a number of countries (Netherlands, Burkina Faso, Malaysia and Great Britain). From these European countries, it continues to run a major logistical support network for Algerian terrorist groups and is attempting to re-establish itself in Algeria.

3. *Al Bakoun Ala El-Ahd Organization*

This terrorist group was formed in 1991 as a result of tensions in the former Front Islamique du Salut (Islamic Salvation Front) (FIS). It is led by Kamereddine Kharbane and Boudjemâa Bounoua, currently residing in Great Britain.

Its members are also based in Germany, where they have set up a clandestine ring for shipping weapons to Algeria for use by GIA. They were in contact with terrorist Abdelhak Layada, the former head of GIA, who is currently detained in Algeria.

The group has about 50 members operating in London under an extremist front association called Algerian Community in Britain (ACB), whose senior leaders are Kamereddine Kherbane and Boudjemâa Bounoua.

The other senior leaders of Al Bakoun Al El Ahd are:

- Nadir Remli, born on 17 March 1958 in Hussein Dey (Algiers), son of Mohamed Remli and Abida Boussaad. He is being sought under international arrest warrant No. 160/01 of 10 November 2001, on charges of forming and belonging to a terrorist group operating abroad. He currently resides in Great Britain and maintains ties with the al-Qa`idah networks under Abou Qotada and Abou Hamza El Misri.
- Mohamed Denideni, born on 23 January 1961 in El-Harrach (Algiers), the son of Abdelkader Denidni and Fatima Denidni. He is being sought under two international arrest warrants, No. 44/93 of 13 July 1993 for his involvement in the attack on Houari Boumediène Airport in Algiers and No. 160/01 of 10 November 2001 for forming and belonging to a terrorist group operating abroad, and inciting and preparing terrorist acts. He currently resides in Great

Britain, where he is in contact with terrorists Abou Qotada and Abou Hamza El Misri, the al-Qa`idah intermediaries.

- Abdallah Messai, born in 1945 in Khenchela (Algeria), son of Bouguerra Messai and Demiria Arouf. He is being sought under international arrest warrant No. 160/01 of 10 November 2001 for forming and belonging to a terrorist group operating abroad.

Al Bakoun Ala Al Ahd was a logistical and propaganda tool for GIA, to which it pledged its allegiance. It went on to support GSPC, which has become the al-Qa`idah intermediary, through articles disseminated by its propaganda tools, "Saout Al Djebha", "Essirat" and "Enlightment". It has expressed its hostility towards the Civil Harmony Law with a call to pursue terrorist activities in Algeria.

Al-Qa`idah has helped to finance the Al Bakoun Ala Ahd group. In April 2000, terrorist Omar Chabani (alias Abou Djâafar, killed in Tora Bora in 2001 during United States bombings against the Taliban and al-Qa`idah) instructed his representative in London, Amar Makhloufif, alias Abou Doha, currently facing extradition to the United States for his involvement in the Ressam/Dahoumène cases, to pay Al Bakoun Ala Ahd the necessary funds to pursue terrorist acts in Algeria.

4. *Ties to al-Qa`idah*

Ties between al-Qa`idah and Algerian terrorist groups date back to the 1990s, to the time when prospective leaders of these groups were being trained in camps in Pakistan and Afghanistan, or operating from Yemen and, later, the Sudan.

Thus, after belonging to the former Front Islamique du Salut, these persons formed GIA and embraced the transnational terrorism advocated by Osama bin Laden. The relationship with bin Laden was strengthened in June 1990, when he met in Jeddah (Saudi Arabia) with the top leaders of the Front Islamique du Salut.

The objective was to create a multitude of operational organizations that would fit into a very complex worldwide coalition that supported Jihad in every corner of the world in the spirit of Osama bin Laden's 1998 statement creating the World Islamic Front for Jihad against Jews and Crusaders.

Numerous leaders of terrorist groups operating in Algeria had been recruited by Osama bin Laden into the ranks of the Islamist volunteers during the civil war in Yemen. The senior leaders of the above-mentioned groups then fought in other countries, including Afghanistan, before joining GIA or GSPC or creating their own terrorist groups in Algeria.

The various organizational and deployment phases of these new terrorist groups both inside Algeria and abroad were directed by the ideologue Abou Koutada from London. Abou Koutada is also the ideologue of al-Qa`idah and the leader of terrorist groups in the Maghreb region.

Osama bin Laden promised to provide logistical support and financial assistance to any organization that would submit to al-Qa`idah's conditions, which were accepted by the above-mentioned Algerian terrorist groups.

Algerian terrorist groups have long-standing ties to al-Qa`idah and have contacts and alliances with other terrorist organizations in Afghanistan, Pakistan,

Malaysia, Indonesia, France, Spain, Great Britain, Italy, Germany, Belgium, Sweden and Denmark.

Their members abroad belong to al-Qa'idah's operational groups and, in the past four years, have participated in terrorist operations throughout the world.

A number of operatives who have served or are serving as contacts and intermediaries between the Algerian terrorist groups and al-Qa'idah have been identified by police in Algeria or abroad.

These operatives include: Farid Mellouk (detained in Belgium), Ahmed Ressam (detained in the United States), Abdelmadjid Dahoumène (detained in Algeria), Mohamed Chawki Baadache (detained in Belgium), Tarek Maroufi (Tarek Ben Habib Maaroufi, born on 23 November 1965 in Ghardimaou (Tunisia), Belgo-Tunisian, No. 72 on the list referred to in Security Council resolution 1333 (2000), currently detained in Belgium), Abou Doha (detained in Great Britain), Omar Chaabani (killed in Tora Bora), Djamel Beghal (detained in France), Kamel Fateh (detained in France), Hocine Toury (detained in Jordan), Adel Mechat (detained in France), Mohamed Bensakhria (alias Miliani, alias Pedro, arrested on 22 June 2001 in Alicante and extradited to France), Abdellah El-Ansari (fugitive), Mohamed Boutamine (interrogated in Great Britain), Mustapha Ait El Hadi (born on 5 March 1962 in Tunis, son of Abdelkader and Amina Aissaoui, sought under international arrest warrant No. 698/01 of 22 October 2001 and No. 704/01 of 22 April 2002, currently in Germany), Djamel Lounici (at large in Italy) and Athmane Meheiri, alias le Rouget, born on 9 September 1957 in Algiers, son of Abdellah Meheiri and Ouanassa Guersi (at large in Denmark).

VIII. Conclusion

The measures which Algeria has taken and is taking in order to strengthen its counter-terrorism capacities are proof of its will to combat relentlessly this transnational scourge which threatens it directly. Its wholehearted contribution to the battle waged at the international level under the relevant Security Council resolutions is significant in this respect.

As a victim of terrorism, Algeria is particularly aware of the need to improve the conditions of this battle and has always been an advocate of such improvement. It is pleased that some of its proposals in that area, particularly those concerning the creation of an assistance fund and the establishment of a monitoring mechanism, have been endorsed by other countries. However, even greater efforts are needed to achieve more effective action as proof of a stronger political will to remove obstacles in the battle against terrorism.

In fact, cooperation between security services would soon reach its limits if the current lack of consultation and coordination of operational activities, asylum and extradition policies and restrictions on the acquisition of specific equipment essential to combating terrorist groups continued.

Algeria would like to stress the following points:

(a) Terrorism definitely constitutes a real challenge to the political will of States. Only through this will can the international community mobilize against terrorism by making the current plan of action better suited to the seriousness and

complexity of transnational terrorism; this will require an integrated approach to cooperation in the area of counter-terrorism, including its operational, political, diplomatic and technical assistance aspects.

(b) The goal is to eliminate the scourge of terrorism, which constitutes a global threat wherever it appears, by working together.

In this connection, Algeria notes that the Algerian Groupe Islamique Armé (Armed Islamic Group) (GIA) and Groupe Salafiste pour la Prédication et le Combat (Salafist Group for Proselytism and Combat) (GSPC) are among the most violent terrorist groups; however, they are included in the Committee's list but not that of the European Union. This is an abnormal situation from the point of view of the international community's goal of eliminating the worldwide terrorist threat pursuant to Chapter VII of the Charter of the United Nations.

Algeria would like to see the inclusion of Djamat Houmat Daawa Salafia (DHDS), Djaz'ara and groups and individuals associated with them in the United Nations list of terrorist organizations.

Individuals on the list include:

1. Mourad Dhina, born on 6 August 1961 in Blida, Algeria, son of Mohamed Dhina and Zoulikha Benmoussa. He is being sought under international arrest warrant No. 177/95/T of 15 January 1995. He is currently in Switzerland.

2. Djamel Lounici, born on 1 February 1962 in Algiers, son of Abdelkader Lounici and Djohra Birouh. He is being sought under international arrest warrant No. 15/93/T of 6 March 1993, No. 20/94/T of 25 July 1994, No. 07/95/T and No. 44/94/T of 3 April 1994 for forming and belonging to an armed terrorist group, voluntary manslaughter, possession of firearms, abetment of terrorism and attacks on the security of the State. Lounici is currently in Italy.

3. Mohamed Denideni, born on 23 January 1961 in El Harrach (Algiers), son of Abdelkader and Fatima Denideni. He is being sought under international arrest warrant Nos. 44/94 T and 160/01 of 10 November 2001 for forming and belonging to a terrorist group operating abroad, and for incitement and preparation of terrorist acts. He is currently in London.

4. Mustapha Nasri Ait El Hadi. Born on 5 March 1962 in Tunis, son of Abdelkader Ait El Hadi and Amina Aissaoui. He is being sought under international arrest warrant No. 698/01 of 22 October 2001 and No. 704/01 of 22 April 2002 for forming and belonging to a terrorist group operating abroad. Ait El Hadi is in Germany.

5. Nadir Ramli, born on 17 March 1958 in Hussein-Dey (Algiers), son of Mohamed Ramli and Abida Boussaad. He is being sought under international arrest warrant No. 160/01 of 10 November 2001 for forming and belonging to a terrorist group operating abroad. He is now in Great Britain.

6. Mouloud Mekiri, alias Abu Obeida, alias Mouloud Oued Ouchayah, born on 31 January 1961, son of Slimane Mekiri and Zohra Semmar. He is being sought under international arrest warrant No. 160/201 of 21 January 2002 for forming and belonging to a terrorist group operating abroad. He is a member of the organization Takfir Wa el Hidjra. He is now in Great Britain.

7. Hamid Aich, born on 11 March 1965 in Hussein-Dey, son of Mohamed Aich and Zohra Kasdi. He is being sought under international arrest warrant No. 160/01 of 10 November 2001 for belonging to a terrorist group operating abroad. He was staying in Pakistan, where he was employed by the organization of Afghan Mujahideen, and then in Great Britain, Canada and Ireland, successively. He is now in Pakistan.

8. Rachid Mesli, born on 7 April 1947 in Rabat, son of Mohamed Mesli and Houka Damardji. He is being sought under international arrest warrant No. 192/02 of 6 April 2002 for belonging to a terrorist group. He is in Switzerland.

9. Mokhtar Belmokhtar, born on 1 June 1972 in Ghardaïa, son of Mohamed Belmokhtar and Zohra Chemkha. He is being sought under international arrest warrant No. 04/2001 for forming and belonging to a terrorist group abroad. He moves between the Niger, Mali, Mauritania and Nigeria.

(c) At a time when criminal law is being standardized, Algeria considers it urgent to implement the principle that no claims of political motivation can provide grounds for denying a State's request for extradition.

The effective implementation of this principle requires greater transparency in the practices and procedures used by various States in matters of extradition; they must not constitute an insurmountable obstacle to the de facto implementation of this principle.

Therefore, in the light of the need for effective means of combating terrorism and of the legitimate security concerns of all States, Algeria considers it important to adopt a set of practices which would result in more coherent extradition policies.

(d) International counter-terrorism efforts require legislation, institutional and operational capacities and, in particular, the acquisition of appropriate equipment that can significantly reduce terrorist groups' ability to cause harm.

The Security Council must not lose sight of this essential aspect of the counter-terrorism effort and, in the spirit of its resolutions on that issue, must use its authority to facilitate the provision of such equipment, particularly to countries directly confronted by this scourge.

(e) It is urgent to develop and implement operating methods in order to meet the obligation to cooperate at all levels in the fight against terrorism.

To that end, appropriate modalities for action are needed in order to address the gaps, imbalances and breaches of obligation which exist in the current international counter-terrorism process. In other words, the international community requires the capacity to control effectively the implementation of counter-terrorism instruments and to issue warnings and even impose sanctions on countries which do not cooperate sufficiently.

Only if this is done will awareness of terrorism as a threat to international peace and security take on real meaning.

United Nations S/AC.37/2003/(1455)/15

Security Council

Distr.: General
17 April 2003

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Security Council Committee established pursuant to resolution 1267 (1999)

Note verbale dated 16 April 2003 from the Permanent Mission of Bulgaria to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of the Republic of Bulgaria to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1267 (1999), and on instructions of the Government of the Republic of Bulgaria has the honour to transmit herewith the supplementary implementation report, called for in paragraph 6 of Security Council resolution 1455 (2003), on the additional measures taken after the submission of the national report of the Republic of Bulgaria on the implementation of resolution 1390 (2002).

03-35258 (E) 270503

Annex to the note verbale dated 16 April 2003 from the Permanent Mission of Bulgaria to the United Nations addressed to the Chairman of the Committee

Supplementary report of Bulgaria on the additional measures taken after the submission of the national report of Bulgaria on the implementation of Security Council resolution 1390 (2002)

Bulgaria continues it active cooperation with the Committee established pursuant to resolution 1267 (1999) and fulfils its international obligations in compliance with the said resolution and the others which followed it, directed at adopting measures towards suppression and prevention of financing and support for terrorism.

The country's regulatory framework, related to the implementation of measures under the said resolutions, includes:

Law on Measures for the Suppression of Financing of Terrorism, adopted on 5.2.2003, promulgated in the State Gazette (SG), No. 16 of 18.2.2003, amended in No. 31 of 4.4.2003.

Law on Measures against Money Laundering, adopted in 1998, promulgated in SG No. 85 of 24.7.1998 (as last amended and supplemented in SG No. 31 of 4.4.2003).

Penal Code, adopted in 1968, promulgated in SG No. 26 of 2.4.1968 (as last amended and supplemented in the State Gazette of 27.9.2002).

Prohibition of Chemical Weapons and Control over Toxic Chemical Substances and Their Precursors Act, adopted in 2000, promulgated in SG No. 8 of 28.1.2000 (as last amended and supplemented in SG No. 75 of 2.8.2002 effective as of 3.9.2002).

Control over Foreign Trade Activity in Arms and Potential Dual-Use Goods and Technologies Act, adopted in 1995, promulgated in SG No. 102 of 21.11.1995 (as last amended and supplemented in SG No. 75 of 2.8.2002).

The Implementing Regulation of the Control over Foreign Trade Activity in Arms and Potential Dual-Use Goods and Technologies Act was adopted by Decree of the Council of Ministers No. 274 of 29.11.2002, promulgated in SG No. 115 of 10.12.2002.

Decree of the Council of Ministers No. 39 of 27 March 2000 on implementation by the Republic of Bulgaria of Security Council resolution 1267 (1999), promulgated in SG No. 28 of 4.4.2000, amended in No. 20 of 6.3.2001, amended and supplemented in SG No. 33 of 2002.

Decree No. 53 of 4 March 2003, promulgated in SG No. 22 of 2003, updating the list of States and organizations with regard to which the Republic of Bulgaria maintains prohibitions or restrictions on sales or supplies of arms and equipment, related to them, in conformity with Security Council resolutions and decisions of the European Union and the Organization for Security and Cooperation in Europe, as approved by Decree of the Council of Ministers No. 91 of 2001.

I. Introduction

1. Please provide a description of activities, if any, by Osama bin Laden, al-Qa`idah, the Taliban and their associates in your country, the threat they pose to the country and the region, as well as likely trends.

No data has been received so far regarding activities of Osama bin Laden, al-Qa`idah, the Taliban and their associates on the territory of Bulgaria. We have no information of our own regarding their activities on territories of other States.

II. Consolidated list

2. How has the 1267 Committee's List been incorporated within your legal system and your administrative structure including financial supervision, police, immigration control, customs and consular authorities?

The legal ground for systematic control of individuals, including in the Committee's consolidated list, is provided by texts containing prohibitions in the Law on Foreigners in the Republic of Bulgaria. By virtue of this Law (art. 10, para. 1, item 3) visa and entry into the country shall be denied to foreigners if there is available information that they belong to criminal groups or organizations or that they are engaged in terrorist activities, in smuggling or illegal trade in weapons, explosives, ammunition, strategic raw materials, potential dual-use goods and technologies, as well as illegal traffic of narcotics and psychotropic substances and precursors and of raw materials for production thereof.

The National Security Service is the focal point for receiving such information and notifying the border immigration authorities about individuals on the consolidated list.

Persons included in the consolidated list are registered in the Border Control System. If persons on the consolidated list arrive at a border checkpoint, the National Service Border Police officials detain them and inform the National Security Service.

3. Have you encountered any problems with implementation with regard to the names and identifying information as currently included in the list? If so, please describe these problems.

When data on individuals is entered and processed difficulties may arise because of its incompleteness, for instance, missing date of birth, place of birth, passport number, social insurance number, or difficulties in transcribing Arabic names in the English language.

4. Have your authorities identified inside your territory any designated individuals or entities? If so, please outline the actions that have been taken.

Until now no individuals or entities included in the consolidated list have been identified on the territory of this country.

In the course of the joint inspections carried out by the Bulgarian National Bank (the central bank of Bulgaria, which is responsible for bank supervision) and the Financial Intelligence Agency, no accounts opened or presence of funds of individuals designated in the list have been detected. The information obtained in

the course of these joint inspections is processed and shared by the Financial Intelligence Agency with relevant foreign partners. The Bulgarian National Bank and the Financial Intelligence Agency have no additional information which could be added to the existing list.

5. Please submit to the Committee, to the extent possible, the names of individuals or entities associated with Osama bin Laden or members of the Taliban or al-Qa`idah that have not been included in the list, unless to do so would compromise investigations or enforcement actions.

No data is available on such individuals.

6. Have any listed individuals or entities brought a lawsuit or engaged in legal proceedings against your authorities for inclusion in the list? Please specify and elaborate, as appropriate.

No lawsuit has been brought or legal proceedings initiated against the official authorities in Bulgaria.

7. Have you identified any of the listed individuals as nationals or residents of your country? Do your authorities have any relevant information about them not already included in the list? If so, please provide this information to the Committee as well as similar information on listed entities, as available.

Listed individuals have not been identified as nationals or residents of Bulgaria. No information is available about individuals not already included in the list.

8. According to your national legislation, if any, please describe any measures you have taken to prevent entities and individuals from recruiting or supporting al-Qa`idah members in carrying out activities inside your country, and to prevent individuals from participating in al-Qa`idah training camps established in your territory or in another country.

On 13 September 2002, the National Assembly adopted an Act Amending and Supplementing the Penal Code, which provided for special penalties for terrorism, (art. 108a, para. 1) and financing of terrorism (art. 108a, para. 2); sanctions for establishing, leadership and participation in terrorist groups (art. 109), preparation for commitment of terrorism (art. 110), manifest incitement to commit terrorism (art. 320, para. 2), and threat of commitment of terrorism (art. 320a); confiscation of funds for financing of terrorism (art. 108a, para 3), as well as confiscation, in part or in full, of property of perpetrators of terrorist crimes and of persons financing their activities (art. 114, para. 2).

Moreover, in accordance with the text of article 356b of the Penal Code, which had been in effect before the changes of 2002, any foreign citizen who prepares on the territory of Bulgaria to commit abroad the respective crimes (which could also represent terrorist acts — see article 356a) was to be imprisoned for up to five years. In case an organization or a group is established with the same objective, the sanction is imprisonment from one to six years and, for their founders and leaders from three to eight years (art. 356b, para. 2). In order to be rendered liable to penal responsibility under these provisions, the respective crimes of a general nature need not have been committed or attempted to be committed.

No al-Qa'idah training camps exist on the territory of Bulgaria and no data is available on Bulgarian or foreign nationals with residence status belonging to the terrorist organization and undergoing training in al-Qa'idah training camps outside this country. The relevant authorities of the Ministry of the Interior in accordance with their legally prescribed tasks and activities are performing operational monitoring and control over the risk categories of individuals and entities in order to prevent them from engaging in the above activities.

III. Financial and economic asset freeze

Under the sanctions regime (paragraph 4 (b) of resolution 1267 (1999) and paragraphs 1 and 2 (a) of resolution 1390 (2002)), States are to freeze without delay the funds and other financial assets or economic resources of the listed individuals and entities, including funds derived from property owned or controlled, directly or indirectly, by them or by persons acting on their behalf or at their direction, and ensure that neither these nor any other funds, assets or resources are made available, directly or indirectly, for such persons' benefit, by their nationals or by any persons within their territory.

9. Please describe briefly:

- **The domestic legal basis to implement the asset freeze required by the resolutions above.**

In compliance with resolution 1267, the Decree of the Council of Ministers No. 39 of 27 March 2000 was adopted, and was subsequently amended and supplemented in compliance with resolutions 1333 (2001) and 1390 (2002).

On 5 February 2003 the National Assembly adopted the Law on Measures for the Suppression of Financing of Terrorism. This Law was promulgated in SG No. 16 of 18 February 2003 and entered into force on 21 February 2003.

The goal of the Law on Measures for the Suppression of Financing of Terrorism, as defined in its article 2, is to prevent and uncover activities of natural persons, legal persons, groups and organizations aimed at financing terrorism. The Act defined the measures against financing of terrorism, the organization and control over their enforcement and the administrative penal provisions in case of violation. The provisions of the said Law are in compliance with the measures under Security Council resolution 1373 (2001) and Council Regulation (EU) No. 2580/2001 of 27 December 2001 regarding the specific restrictive measures in the combat against terrorism, targeted at certain natural and legal persons.

One of the measures envisaged in the said Act (art. 3, para 1, item 1) is to block financial assets and other property. This measure has the effect of a restraint or injunction (art. 3, para. 3). According to article 6 of the Act, all financial assets and other property belonging to individuals on the list are to be frozen, regardless of whose possession they are in.

The measures under the Act, including the freeze of property, are applicable with regard to those natural and legal persons that are designated in a list approved by the Council of Ministers (art. 5, para. 1). Based on proposals of the Minister of the Interior or the Chief Prosecutor, the Council of Ministers adopts, supplements

and amends the list of natural persons, legal persons, groups and entities with regard to which the measures under this Act shall apply.

At present, a draft decision of the Council of Ministers is undergoing coordination pursuant to article 58 of the Rules of Organization of the Council of Ministers for adopting a list under Article 5 of the Law on Measures for the Suppression of Financing of Terrorism. The draft national list will define natural persons, legal persons, groups and entities designated by the Security Council as related to terrorism, or with regard to which sanctions for terrorism have been imposed by Security Council resolutions, as well as persons, groups and entities which have been included in the list of the Council of the European Union, with regard to which specific restrictive measures are applied by virtue of Regulation No. 2580/2001 of 27 December 2001. The list shall be promulgated in the State Gazette.

- **Any impediments under your domestic law in this context and steps taken to address them.**

At present, no impediments have been found in the course of implementation of the legislative framework and no steps were taken for its improvement.

10. Please describe any structures or mechanisms in place within your Government to identify and investigate Osama bin Laden, al-Qa`idah or Taliban-related financial networks, or those who provide support to them or individuals, groups, undertakings and entities associated with them within your jurisdiction. Please indicate, as appropriate, how your efforts are coordinated nationally, regionally and/or internationally.

On 21 March 2003 the National Assembly adopted an Act Amending and Supplementing the Law on Measures against Money Laundering.

These amendments aim at achieving full conformity with European norms in the combat against money laundering and, more specifically, with Council Directive 91/308/EEC for prevention of the use of the financial system for money laundering and Directive 2001/97/EC of the European Parliament and the Council of 4 December 2001, which amended Directive 91/308/EEC. The amendments to the said Act created conditions for effective interaction and exchange of information between the Financial Intelligence Agency, the country's banking system and the relevant authorities of the Ministry of the Interior, in suppression of money laundering, which has a significant importance also for the effective prevention of financing of terrorism.

The competencies of the Financial Intelligence Agency, aimed at prevention and limitation of terrorist acts, are clearly defined in specific provisions of the Law on Measures for the Suppression of Financing of Terrorism, related to the general competency of the Financial Intelligence Agency, defined in the Law on Measures against Money Laundering. By means of the Act Amending and Supplementing the Law on Measures against Money Laundering and in full conformity with Directive 2001/97/EC, the Financial Intelligence Agency was assigned a regulated broad access to information, allowing also an opportunity for conducting an even more comprehensive financial intelligence analysis also related to the Agency's competencies in preventing financing of terrorism.

In accordance with Decree of the Council of Ministers No. 50/2001 and in compliance with resolutions 1267 (1999), 1333 (2000), 1390 (2001) and 1455

(2003), in case of detection of financial resources of individuals and entities from the respective lists, the Bulgarian National Bank orders a freeze of these funds.

As of May 2002, the Bulgarian National Bank and the Financial Intelligence Agency on 12 occasions have circulated among the commercial banks on the territory of Bulgaria lists for implementing joint checks for accounts opened and the presence of funds of individuals designated in the lists of over 90 individuals and organizations. As of today, answers to 10 of these letters have been received, and the individuals and entities designated in the lists have not been registered as clients of the banks and have not been beneficiaries of bank transfers. The banks have not yet completed the checks following the last two letters.

11. Please convey the steps banks and/or other financial institutions are required to take to locate and identify assets attributable to, or for the benefit of, Osama bin Laden or members of al-Qa'idah or the Taliban, or associated entities or individuals. Please describe any "due diligence" or "know your customer" requirements. Please indicate how these requirements are enforced, including the names and activities of agencies responsible for oversight.

The steps under the Law on Measures for the Suppression of Financing of Terrorism are mandatory for all natural and legal persons, including banks and other financial institutions, which are obliged to notify without delay the Minister of the Interior and the Minister of Finance of their implementation (art. 3, para. 2).

Moreover, in accordance with article 9 of the Law on Measures for the Suppression of Financing of Terrorism, persons under article 3, paragraphs 2 and 3, of the Law on Measures against Money Laundering (including banks and other financial institutions) are obliged in case of doubt to notify also the Financial Intelligence Agency (para. 3) and to introduce into their internal rules criteria for the identification of suspicious operations, transactions and clients aiming at the financing of terrorism (para. 4). The connection between the competencies of the Financial Intelligence Agency under the two Acts ensures maximum efficiency in relation to suppression of financing of terrorism.

In order to facilitate the implementation of the provisions of article 9, paragraphs 4 and 2, of the Transitional and Concluding Provisions of the Law on Measures for the Suppression of Financing of Terrorism, the Financial Intelligence Agency prepared and will provide to the reporting persons (within four months of the entry into force of the Act) methodological guidance for developing criteria for the detection of financing of terrorism to be included in the internal rules pursuant to article 16, paragraph 1, of the Law on Measures against Money Laundering.

The competencies of the Financial Intelligence Agency set out in the Law on Measures against Money Laundering with regard to regulated access and exchange of information with foreign financial intelligence units and law enforcement bodies are further developed with regard to exchange of information on financing of terrorism. Article 14 of the Law on Measures for the Suppression of Financing of Terrorism provides for an opportunity for the Financial Intelligence Agency, on its own initiative and upon receipt of requests, for exchange of information pursuant to the Law on Measures for the Suppression of Financing of Terrorism with the respective international bodies and services of other States on the grounds of international agreements or reciprocity.

12. Resolution 1455 (2003) calls on Member States to provide "a comprehensive summary of frozen assets of listed individuals and entities". Please provide a list of the assets that have been frozen in accordance with this resolution. This list should also include assets frozen pursuant to resolutions 1267 (1999), 1333 (2001) and 1390 (2002).

To date no freezing of bank deposits or other assets located in Bulgarian banks has taken place.

13. Please indicate whether you have released pursuant to resolution 1452 (2002) any funds, financial assets or economic assets that had previously been frozen as being related to Osama bin Laden or members of al-Qa`idah or the Taliban or associated individuals or entities. If so, please provide reasons, amounts unfrozen or released and dates.

Given the fact that until the present no assets have been blocked or frozen, no actions have been undertaken unblocking or releasing bank accounts or other assets located in Bulgarian banks.

14. Pursuant to resolution 1455 (2003), 1390 (2001), 1333 (2000) and 1267 (1999), States are to ensure that no funds, financial assets or economic resources are made available, directly or indirectly, to listed individuals or entities or for their benefit, by nationals or by any persons within their territory. Please indicate the domestic legal basis, including a brief description of laws, regulations and/or procedures in place in your country to control the movements of such funds or assets to designated individuals and entities. This section should include a description of:

- **The methodology, if any, used to inform banks and other financial institutions of the restrictions placed upon individuals or entities listed by the Committee, or who have otherwise been identified as members or associates of al-Qa`idah or the Taliban. This section should include an indication of the types of institutions informed and the methods used.**

Upon receipt from the Financial Intelligence Agency or from another institution of lists of natural or legal persons to be inspected, the Bulgarian National Bank as the bank supervisory institution in Bulgaria circulates without delay among the banks enquiries regarding the presence of accounts opened and transfers of monetary funds, reflected in them, in connection with the persons designated in the said lists. The Central Bank possesses powers, determined in the Banking Act, which authorize it to receive information about operations and outstanding balance on accounts of clients of the banks. Within a short period of time the banks carry out checks in their information systems and return information to the Central Bank.

When information of such a nature, obtained through specific methods and means by the competent services of the Ministry of the Interior, is received it is submitted to the Prosecutor's Office for an opinion according to its competency.

- **Required bank reporting procedures, if any, including the use of Suspicious Transaction Reports (STR), and how such reports are reviewed and evaluated.**

In accordance with article 9, paragraph 3, of the Law on Measures for the Suppression of Financing of Terrorism, commercial banks, being persons obligated under article 3, paragraph 2.1, of the Law on Measures against Money Laundering,

must notify in case of suspected financing of terrorist activity the Financial Intelligence Agency, which then exercises its powers in accordance with the Law on Measures against Money Laundering — to collect additional information from persons obligated under article 3, paragraphs 2 and 3, as well as from international cooperation and from on-site inspections. At the end of March 2003, in order to facilitate the implementation of the provisions of article 9, paragraphs 4 and 2 of the Transitional and Concluding Provisions of the Law on Measures for the Suppression of Financing of Terrorism, the Financial Intelligence Agency prepared and will provide to the reporting persons methodological guidance for developing criteria for detection of financing of terrorism to be included into the internal rules pursuant to article 16, paragraph 1, of the Law on Measures against Money Laundering. The competent bodies, having received information in connection with the implementation of the Law on Measures for the Suppression of Financing of Terrorism, preserve the anonymity of persons who have provided it. Information collected under this Act is used only for its purposes or for countering crime.

- **Requirements, if any, placed on financial institutions other than banks to provide STR, and how such reports are reviewed and evaluated.**

Apart from commercial banks, persons obligated under article 3, paragraphs 2 and 3, of the Law on Measures against Money Laundering also include insurance companies, investment companies, persons organizing unofficial securities markets, pension funds, legal persons with which credit unions have been organized, postal services which accept or receive money or other valuables, leasing companies, persons involved in gambling.

- **Restrictions or regulations, if any, placed on the movement of precious commodities such as gold, diamonds and other related items.**

In accordance with the Currency Act, persons which are not banks and are professionally engaged in extraction, processing and transactions in precious metals and stones must register with the Ministry of Finance and comply with requirements, set in an ordinance of the Council of Ministers. When importing and exporting precious metals and stones, these must be declared before the customs authorities.

- **Restrictions or regulations, if any, applicable to alternate remittance systems such as — or similar to — *hawala*, as well as on charities, cultural and other non-profit organizations engaged in the collection and disbursement of funds for social or charitable purposes.**

Non-profit organizations are also obligated persons under article 3, paragraph 2.17, of the Law on Measures against Money Laundering and as such must upgrade their internal rules under article 16 of that Law by adding measures against financing of terrorism.

Currently no regulatory mechanism for alternative payment systems such as *hawala* has been developed.

IV. Travel ban

15. Please provide an outline of the legislative and/or administrative measures, if any, taken to implement the travel ban.

The National Service Border Police implements the border control at entry and exit of Bulgarian and foreign nationals from the territory of this country and the Police National Service exercises administrative control over the stay of foreigners in Bulgaria.

The terms and procedures are prescribed in the Law on Foreigners in the Republic of Bulgaria and the travel bans are determined in article 10, paragraph 1, items 1-15.

The principles of the regime of prohibitions related to the denial of visa, of entry into or exit from this country including relatives to individuals designated in the consolidated list, are:

Paragraph 1.1 — activities of individuals whereby the security of interests of the Bulgarian State are endangered.

Paragraph 1.3 — information that the individuals belong to criminal groups or organizations or that they engage in terrorist activities, smuggling or illegal trade in arms, explosives, ammunition, strategic raw materials, potential dual-use goods and technologies, as well as illegal traffic in narcotic and psychotropic substances and precursors and raw materials for production thereof.

Paragraph 1.7 — the individuals have attempted to enter this country or to transit through it using false or forged documents.

Paragraph 1.14 — the individuals have been included in the information database of foreigners undesirable in this country maintained by the Ministry of the Interior and the Ministry of Foreign Affairs.

The information databases which are used in the Ministry of the Interior also in regard to the said category of individuals, according to Security Council resolution 1455 (2003), are those of the Border Control and Administrative Services to Foreign Citizens.

The Ministry of the Interior Act specifies the terms for providing data regarding individuals found to belong to al-Qa'idah, the possibilities for expelling them and for handing them over to services of other States, based on the international agreements concluded.

16. Have you included the names of the listed individuals in your national "stop list" or border checkpoint list? Please briefly outline steps taken and any problems encountered.

The listed individuals are entered into the border control system and are not allowed to enter this country.

Individuals designated in the consolidated list are entered into the restrictive database of undesirable foreigners according to the procedure of article 21a of the Law on Foreigners in the Republic of Bulgaria at the Ministry of Foreign Affairs.

17. How often do you transmit the updated list to your border control authorities? Do you possess the capability of searching list data using electronic means at all your entry points?

The list is updated on a quarterly basis, in conformity with its updates by the Security Council.

Immediately upon receipt each list of individuals on the consolidated list is entered into the Border Control System. The required opportunities exist for electronic search of information regarding such individuals.

18. Have you stopped any of the listed individuals at any of your border points or while transiting your territory? If so, please provide additional information, as appropriate.

Until the present no individuals designated in the consolidated list have been detected at any of Bulgaria's border checkpoints.

19. Please provide an outline of the measures, if any, taken to incorporate the list in the reference database of your Consular offices. Have your visa-issuing authorities identified any visa applicant whose name appears on the list?

Individuals designated in the consolidated list are entered into the restrictive database of undesirable foreigners under the procedure of article 21a of the Law on Foreigners in the Republic of Bulgaria at the Ministry of Foreign Affairs.

V. Arms embargo

20. What measures, if any, do you now have in place to prevent the acquisition of conventional arms and weapons of mass destruction by Osama bin Laden, members of al-Qa'idah organization and the Taliban and other individuals, groups, undertakings and entities associated with them? What kind of export control do you have in place to prevent the above targets from obtaining the items and technology necessary for weapons development and production?

The Control over Foreign Trade Activity in Arms and Potential Dual-Use Goods and Technologies Act adopted in 1995, as amended and supplemented in July 2002, provides that the Council of Ministers have the power to introduce restrictions and impose bans on conduct of foreign trade activity in arms and potential dual-use goods and technologies, in cases when:

1. Such activity poses a threat to the national security, economic and foreign policy interest of Bulgaria, as well as the strengthening of international peace and security and the fulfilment of international obligations of Bulgaria.

2. The goods and technologies are intended or could be used for the creation, production, processing, development, control, maintenance, storage and proliferation of weapons of mass destruction.

3. Restrictions exist as follows:

(a) Imposed by the Security Council;

(b) Resulting from international agreements or from the membership of Bulgaria in international organizations, including international export control regimes, to which it is a party;

(c) Resulting from Bulgaria's joining acts, joint actions and common positions of the European Union;

(d) Resulting from Bulgaria's joining acts of international organizations and export control regimes of which it is not a full member.

4. The arms and potential dual-use goods and technologies are designated for a country, on the territory of which hostilities are taking place or which is engaged in military conflict.

The above-mentioned Act provides for adopting and updating a list of the States and organizations with regard to which Bulgaria maintains a ban or restrictions on sales and supplies of arms and equipment, related to them, in conformity with Security Council resolutions and decisions of the European Union and the Organization for Security and Cooperation in Europe. Such a list was adopted in April 2001 and was subsequently updated in July 2002 and March 2003. The list is in full conformity with the similar EU list. Item 1 of the Bulgarian List of States provides for Measures for Combating International Terrorism (without Territorial Limits) and thereby restrictions were introduced, as envisaged by Security Council resolutions 1333 (2000) and 1390 (2002) as well as by the Declaration of the Ministers of Foreign Affairs of the European Community of 27 January 1986 for prohibition of exports of arms or other military equipment to States supporting terrorism and by EU common position 2002/402/CFSP of 27 May 2002 on banning direct and indirect supplies, sales and transfers of weapons and related equipment of any kind, including arms and ammunition, military machinery and equipment, paramilitary equipment and spare parts to Osama bin Laden, members of al-Qa`idah organization and the Taliban and other individuals, groups and entities associated with them.

In addition, it must be noted that the amendments to the Law have provided for licensing of Bulgarian and foreign natural and legal persons wishing to engage as brokers in foreign trade transactions from and to the territory of Bulgaria. It was also envisaged that only reliable and economically viable subjects would be eligible to be licensed. Among the criteria for determining reliability are the requirements that the manager, the management and control bodies of a commercial company or a natural person have no prior convictions by sentences in force of crimes of a general nature, and that no data should be available indicating that the manager, the management and control bodies of a commercial company or the natural person(s) directly involved in foreign trade activities in arms would pose a threat to the national security, economic and foreign policy interests of Bulgaria, as well as the strengthening of international peace and security and the fulfilment of international obligations of Bulgaria. Given the criteria thus defined, if an individual or a company is included in a list of terrorists or supporters of terrorists or it could be proved that they engage in such activities, it would be practically impossible for them to obtain the right to engage in foreign trade of arms or potential dual-use goods and technologies from and to the territory of Bulgaria.

In addition to the licensing procedure, the control bodies exercise further control by the procedure for issuing permits for each individual transaction, and only licensed companies can act as exporters, importers or brokers.

Under Bulgarian legislation, exporting companies must include in their foreign trade contracts a clause prohibiting transfer of the goods to a third party without the consent of Bulgarian control bodies.

In order to verify the end-user/end use, the applicant company must submit to the control body the original of the end-user certificate/international import certificate. The control bodies have the power to verify the submitted certificate through diplomatic channels — the Embassies of Bulgaria in other countries — in

order to verify the issuance of the document. An additional requirement for the exporting companies is to submit a delivery verification certificate not later than three months after completing delivery. At this stage of control physical checks are also conducted of the delivery in the country of the end user.

The above-mentioned Act provides for administrative or penal sanctions for violations of its provisions. Natural persons engaging in foreign trade activities, including as brokers, in arms and/or potential dual-use technologies, who fail to fulfil their obligations under the law, are punishable by fines, and legal persons by property sanctions, which have been substantially increased by the last amendments to the law.

Bulgaria is a member of the Wassenaar Arrangement, the Australia Group, the Nuclear Suppliers Group and the Zangger Committee and fully applies the criteria of the Missile Technologies Control Regime. The regular exchange of information within the export control regimes contributes to the ongoing and timely updating of information related to the activities of terrorists or terrorist groups, as well as on the types of weapons of interest to them.

.Bulgarian control bodies maintain a watchlist to support the functioning of customs and control bodies.

21. What measures, if any, have you adopted to criminalize the violation of the arms embargo directed at Osama bin Laden, members of al-Qa'idah organization and the Taliban and other individuals, groups, undertakings and entities associated with them?

The violation of the arms embargo constitutes a crime within the meaning of the Penal Code, when acts have been committed as follows:

Article 233 incriminates engagement in foreign trade in potential dual-use goods and technologies without the respective permit; potential dual-use goods and technologies which have been the object of crime are subject to confiscation in favour of the State.

Article 337 (trade, import, export without permit or at variance with the issued permit of explosives, firearms, chemical, biological or nuclear weapons or ammunition).

Article 339 (acquisition, holding, transfer without permit of explosives, firearms, chemical, biological or nuclear weapons or ammunition).

Article 242, paragraph 1.d (qualified smuggling on cross-border traffic without the knowledge and permission of customs authorities of high-impact or toxic substances, explosives, arms, ammunition, nuclear materials, installations or other sources of ionizing radiation).

22. Please describe how your arms/arms broker licensing system, if any, can prevent Osama bin Laden, members of al-Qa'idah organization and the Taliban and other individuals, groups, undertakings and entities associated with them from obtaining items under the established arms embargo.

As described under item 20, only reliable and economically viable subjects are eligible to be licensed, and they must meet a number of criteria regarding reliability and stability; in practice it is impossible to issue licences to companies which are in any way related to terrorist activities or support or finance such activities. The

membership of the Interministerial Council, which issues the licences for the right of foreign trade activity and brokerage activity, is composed of representatives of the Ministry of Defence, the Ministry of the Interior, the Ministry of Foreign Affairs, the General Staff of the Bulgarian Army, the National Intelligence Service, and the Ministry of Finance (the Financial Intelligence Agency and the National Customs Agency being part of its structure). Such a broad range of agencies makes it possible to collect information, sufficient in terms of volume and accuracy, regarding the candidates applying for such a licence.

23. Do you have any safeguards that the weapons and ammunition produced within your country will not be diverted/used by Osama bin Laden, members of al-Qa`idah organization and the Taliban and other individuals, groups, undertakings and entities associated?

As stated in response to item 20, under Bulgarian legislation exporting companies are obliged to include in their foreign trade contracts a clause prohibiting transfer of goods to a third party without the consent of Bulgarian control bodies.

In order to verify the end-user/end use, the applicant company must submit to the control body the original of the end-user certificate/international import certificate. The control bodies have the power to verify the submitted certificate through diplomatic channels — the Embassies of Bulgaria in other countries — in order to verify the issuance of the document. An additional requirement for the exporting companies is to submit a delivery verification certificate not later than three months after completing delivery. At this stage of control physical checks are also conducted of the delivery in the State of the end-user.

Owing to the exchange of information on a bilateral and multilateral basis, as well as within the export control regimes, Bulgaria possesses current information regarding individuals, companies, brokers and destinations giving rise to concern. Most often these are individuals, companies, brokers and States which support terrorism and countries, which are used as points of redirection towards terrorist organizations. In the practice of Bulgarian control bodies in recent years a number of transactions were rejected, owing to doubts on the regularity of the documents submitted.

In cases of non-compliance with the requirements of articles 12 and 13 of the Control over Explosives, Firearms and Ammunition Act, the control over generally dangerous goods bodies in this country may withdraw the licences of sole proprietors and companies for engaging in activities involving generally dangerous goods. The restrictive measures envisaged in these legislative norms are a guarantee for prevention of supply of firearms, ammunition, explosives and other generally dangerous goods by Bulgarian natural and legal persons to international terrorist structures and organizations.

VI. Assistance and conclusion

24. Would your State be willing or able to provide assistance to other States to help them implement the measures contained in the above-mentioned resolutions? If so, please provide additional details or proposals.

As one of the countries enforcing a modern export control legislation, which meets some of the most stringent criteria in this field, Bulgaria stands ready to share

its experience with other States wishing to upgrade their legislative framework and first of all with the countries of the Balkan region.

25. Please identify areas, if any, of any incomplete implementation of the Taliban/al-Qa`idah sanctions regime, and where you believe specific assistance or capacity-building would improve your ability to implement the above sanctions regime.

The Taliban/al-Qa`idah sanctions regime is implemented in full, in conformity with the principles of Bulgarian and relevant international law. No specific assistance is required for the implementation of the above-mentioned sanctions regime.

26. Please include any additional information you believe pertinent.

The Bulgarian legislation has been evaluated to ensure that the requirements of resolutions 1267 (1999), 1333 (2000), 1390 (2002) and 1455 (2003) have been fully met.

Annexes*

1. Law on Measures for the Suppression of Financing of Terrorism
2. Law on Measures against Money Laundering
3. Extract from the Penal Code.

* The annexes are on file with the Secretariat, room S-3055, and are available for consultation.